



QualiWare Holding ApS

Ryttermarken 15
3520 Farum
CVR No. 28295030

Annual report 2021

The Annual General Meeting adopted the
annual report on 23.05.2022

Peter Sørensen

Chairman of the General Meeting

Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2021	8
Balance sheet at 31.12.2021	9
Statement of changes in equity for 2021	11
Notes	12
Accounting policies	15

Entity details

Entity

QualiWare Holding ApS

Ryttermarken 15

3520 Farum

Business Registration No.: 28295030

Registered office: Furesø

Financial year: 01.01.2021 - 31.12.2021

Board of Directors

Gitte Strandly

Jacob Dreyer Lund

Thue Winther-Jørgensen

Tom Hertz

Kuno Brodersen

Executive Board

Kuno Brodersen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of QualiWare Holding ApS for the financial year 01.01.2021 - 31.12.2021.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Farum, 23.05.2022

Executive Board

Kuno Brodersen

Board of Directors

Gitte Strandly

Jacob Dreyer Lund

Thue Winther-Jørgensen

Tom Hertz

Kuno Brodersen

Independent auditor's report

To the shareholders of QualiWare Holding ApS

Opinion

We have audited the financial statements of QualiWare Holding ApS for the financial year 01.01.2021 - 31.12.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 23.05.2022

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Thomas Frommelt Hertz

State Authorised Public Accountant
Identification No (MNE) mne31543

René Carøe Andersen

State Authorised Public Accountant
Identification No (MNE) mne34499

Management commentary

Primary activities

The Company's objective is to own investments in associates and group enterprises.

Development in activities and finances

Profit for the year came to DKK 17,318k against 2,977k in 2020. Management considers the performance satisfactory.

The outbreak and the spreading of the COVID-19 disease in early 2020 have not had and are not expected to have significant material impact on the Entity's financial position and developments as the Entity's revenue primarily comes from public and well-consolidated customers

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2021

	Notes	2021 DKK	2020 DKK
Gross profit/loss		(1,704,432)	(100,250)
Income from investments in group enterprises		559,766	1,201,990
Income from investments in associates		21,103,965	1,845,048
Other financial income	1	909,724	68,848
Financial expenses from group enterprises		(15,594)	0
Other financial expenses	2	(4,265,091)	(56,585)
Profit/loss before tax		16,588,338	2,959,051
Tax on profit/loss for the year	3	729,846	18,295
Profit/loss for the year		17,318,184	2,977,346
Proposed distribution of profit and loss			
Extraordinary dividend distributed in the financial year		4,448,571	0
Retained earnings		12,869,613	2,977,346
Proposed distribution of profit and loss		17,318,184	2,977,346

Balance sheet at 31.12.2021

Assets

	Notes	2021 DKK	2020 DKK
Investments in group enterprises		24,855,929	23,490,581
Investments in associates		0	1,897,306
Financial assets	4	24,855,929	25,387,887
Fixed assets		24,855,929	25,387,887
Receivables from group enterprises		3,815,484	1,401,944
Deferred tax		752,000	0
Other receivables		4,559	4,559
Income tax receivable		194,000	0
Joint taxation contribution receivable		0	154,295
Receivables		4,766,043	1,560,798
Other investments		4,780,176	0
Other investments		4,780,176	0
Cash		6,248,178	2,943,073
Current assets		15,794,397	4,503,871
Assets		40,650,326	29,891,758

Equity and liabilities

	Notes	2021 DKK	2020 DKK
Contributed capital	5	133,334	133,334
Reserve for net revaluation according to the equity method		23,404,360	23,867,044
Retained earnings		17,029,093	3,756,796
Equity		40,566,787	27,757,174
Other payables		0	276,967
Non-current liabilities other than provisions		0	276,967
Bank loans		122	0
Payables to group enterprises		50,836	0
Payables to associates		2,581	867,617
Other payables	6	30,000	990,000
Current liabilities other than provisions		83,539	1,857,617
Liabilities other than provisions		83,539	2,134,584
Equity and liabilities		40,650,326	29,891,758
Contingent liabilities	7		
Assets charged and collateral	8		

Statement of changes in equity for 2021

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Proposed extraordinary dividend DKK	Total DKK
Equity beginning of year	133,334	23,867,044	3,756,796	0	27,757,174
Purchase of treasury shares	0	0	(60,000)	0	(60,000)
Extraordinary dividend paid	0	0	0	(4,448,571)	(4,448,571)
Profit/loss for the year	0	(462,684)	13,332,297	4,448,571	17,318,184
Equity end of year	133,334	23,404,360	17,029,093	0	40,566,787

Notes

1 Other financial income

	2021 DKK	2020 DKK
Financial income from group enterprises	18,809	68,848
Other interest income	109	0
Exchange rate adjustments	890,806	0
	909,724	68,848

2 Other financial expenses

	2021 DKK	2020 DKK
Financial expenses from associates	3,899	37,770
Other interest expenses	60,536	17,024
Fair value adjustments	4,191,326	0
Other financial expenses	9,330	1,791
	4,265,091	56,585

3 Tax on profit/loss for the year

	2021 DKK	2020 DKK
Change in deferred tax	(752,000)	0
Adjustment concerning previous years	22,154	0
Refund in joint taxation arrangement	0	(18,295)
	(729,846)	(18,295)

4 Financial assets

	Investments in group enterprises DKK	Investments in associates DKK
Cost beginning of year	637,042	883,802
Additions	822,969	0
Disposals	(8,441)	(883,802)
Cost end of year	1,451,570	0
Revaluations beginning of year	22,853,539	1,013,504
Exchange rate adjustments	3,499	0
Share of profit/loss for the year	555,687	0
Reversal regarding disposals	(8,366)	(1,013,504)
Revaluations end of year	23,404,359	0
Carrying amount end of year	24,855,929	0

Investments in subsidiaries	Registered in	Corporate form	Equity interest %	Equity DKK	Profit/loss DKK
QualiWare ApS	Farum	ApS	100	23,693,841	381,730
Qualiware Inc	USA	Inc	100	(5,905,310)	6,619,109
QualiWare AB	Stockholm	AB	74.40	474,721	282,497
QualiWare AS	Stavanger	AS	100	(118,397)	(1,343)
QualiWare Ltd.	England	Ltd	100	(1,877,997)	642,604

5 Treasury shares

	Number	Nominal value DKK	Recorded par value DKK	Share of contributed capital %	Purchase/ (selling) price DKK
Shares	5,333	5,333	5,333	4.00	16,721
Shares	5,333	5,333	5,333	4.00	60,000
Investments acquired	10,666	10,666	10,666	8.00	
Shares	5,333	5,333	4	5,333.00	
Shares	5,333	5,333	4	5,333.00	
Holding of treasury shares	10,666	10,666	8	10,666.00	

The company has repurchased some shares from former employee.

6 Other payables

	2021 DKK	2020 DKK
Other costs payable	30,000	990,000
	30,000	990,000

7 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

8 Assets charged and collateral

The entity has guaranteed the group enterprises' debt to the companies bank. Bank loans of groups enterprises amount at 0k 31 December 2021.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Income from investments in associates

Investments in associates comprises the pro rata share of the individual associates' profit/loss after pro rata

elimination of intra-group profits or losses.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Financial expenses from group enterprises

Financial expenses from group enterprises comprise interest expenses etc from payables to group enterprises.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Investments in group enterprises**

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses. Refer to the above section on business combinations for more details about the accounting policies used on acquisitions of investments in group enterprises.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to reserve for net revaluation according to the equity method in equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Investments in associates

Investments in associates are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the associates' equity value plus unamortised goodwill and plus or minus unrealised pro rata intra-group profits and losses. Refer to the above section on business combinations for more details about the accounting policies used on acquisitions of investments in associates.

Associates with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in associates is transferred to reserve for net revaluation according to the equity method in equity.

Investments in associates are written down to the lower of recoverable amount and carrying amount.

Investments in associates fall within the definitions of both participating interests and associates, yet in the financial statements they have been presented as investments in associates because this designation reflects more accurately the Company's involvement in the relevant entities.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Other investments

Other current asset investments comprise listed securities measured at fair value (market price) at the balance sheet date, and unlisted investments measured at the lower of cost and net realisable value.

Cash

Cash comprises bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Treasury shares

Acquisition and selling prices and dividends for treasury shares are classified directly as equity under retained earnings. Gains and losses on sale are not recognised in the income statement.. Capital reduction by cancellation of treasury shares reduces the contributed capital by an amount corresponding to the nominal value.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.